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Community Trends In Hamilton-Wentworth

Information Sheet Poverty Profile

by: Suzanne Brown, Social Planner

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GOVERNMENT DOCUMENTS

Poverty is on the rise...

Poverty is on the increase in Hamilton-Wentworth. Despite an unemployment rate that is one of the lowest in the country, more people in our community lived in poverty in 1996 than did in 1991. In five short years 24,025 more people have slipped into poverty, bringing the number of people who are poor to 101,190.

The chart shows the percentage of the population of Hamilton-Wentworth that lives below the poverty line. As you can see, the poverty rate in our community actually held steady from 1986 to 1991, but effects of the recession of the early 1990's is still being felt.

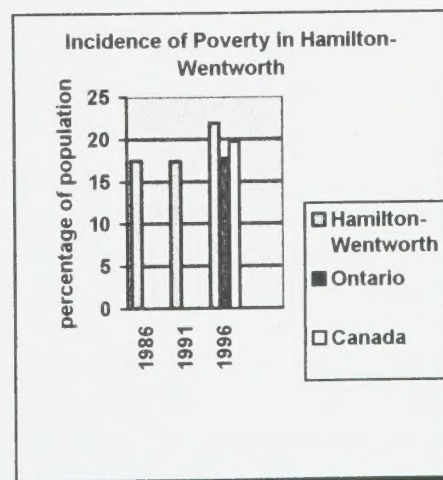
Our poverty rate climbed from 17.4% in 1991 to 21.9% in 1996, an increase of 4.5%.

Why this is Important...

The well-being of individual members, as well as the whole community, is negatively impacted by the poverty we experience. The greater the number of people who are poor, the more we, as a society, have failed our neighbours. It is well documented that poverty contributes to poor health, increased stress and lack of social support. In fact, no other "single factor is more correlated with unwelcome outcomes than chronic poverty"¹ If we are interested in creating and maintaining a healthy, sustainable community for fellow citizens, as well as ourselves, we must address the problem of poverty and its impacts.

How we measure poverty...

For the purposes of this infosheet, the Statistics Canada Low Income Cut-Off (LICO) lines will be used to measure poverty. Other measurements of poverty are detailed in the full report. Statistics Canada developed the LICO line by size of family and size of area of residence.



Social Planning & Research Council

SPRC

of Hamilton-Wentworth

255 West Avenue North, Hamilton, Ontario L8L 5C8

tel: (905) 522-1148 • fax: (905) 522-9124 • t.d.d. (905) 522-0434 • email: sprc_hw@yahoo.com



A United Way Agency

The table below sets out the poverty line for Canadians. For people who live in Hamilton-Wentworth, our Area of Residence is category **B**, which means that a single person earning less than \$14,694 annually would be living below the poverty line.

	Size of Area of Residence				
	A	B	C	D	E
Size of Family Unit	500,000 and over	100,000-499,999	30,000 - 99,999	**Less than 30,000	Rural Areas
1 person	\$17,132	\$14,694	\$14,591	\$13,577	\$11,839
2 persons	\$21,414	\$18,367	\$18,239	\$16,971	\$14,799
3 persons	\$26,633	\$22,844	\$22,684	\$21,107	\$18,406
4 persons	\$32,238	\$27,651	\$27,459	\$25,551	\$22,279
5 persons	\$36,036	\$30,910	\$30,695	\$28,562	\$24,905
6 persons	\$39,835	\$34,168	\$33,930	\$31,571	\$27,530
7 persons	\$43,634	\$37,427	\$37,166	\$34,581	\$30,156
For Each Additional Person	\$3,799	\$3,259	\$3,236	\$3,010	\$2,626

* Source: National Council of Welfare estimates of LICO (1986 base) for 1997, based on 1.6% inflation in 1997.

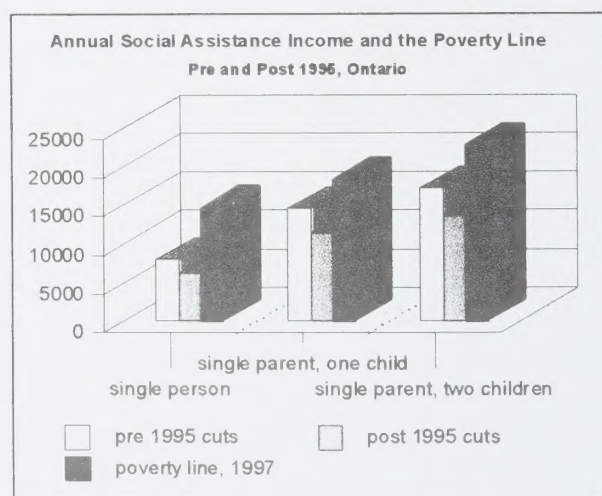
Factors that influence poverty in our community...

Our poverty rate in Hamilton-Wentworth is higher than both the provincial and national rates. This may be due, in part, to the increase in urban poverty across Canada.²

Other factors also play a role in determining who is poor in our community. These factors do not often stand alone, but are inter-related, making poverty a complex problem to understand and to solve. Some of the factors which determine risk for poverty are outlined below.

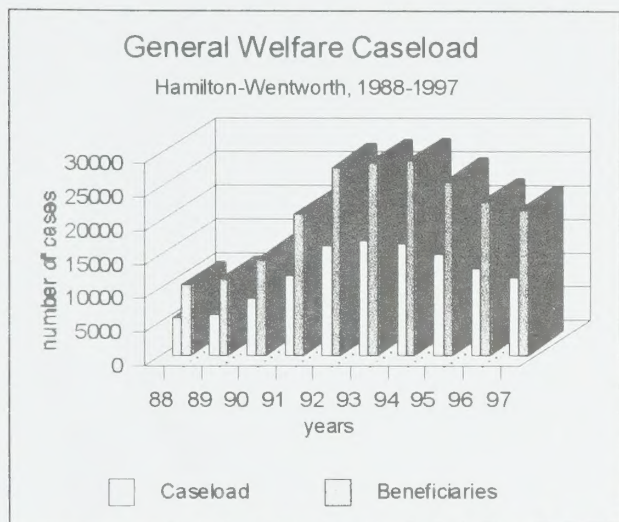
Reasons some people live in poverty...

People who rely on social assistance are always poor. Single people are desperately poor, with their social assistance income only



42% of the poverty line. Since the cuts to assistance rates in 1995, people relying on welfare have seen their income drop significantly.

A single parent with two children receives a maximum of \$13,512 a year on social assistance, which is 59% of the poverty line. One single mother explained the anxiety and stress associated with living on assistance by saying, "I'm so worried about money all the time, about giving my kids treats, or even just the basics."³



In Hamilton-Wentworth in 1997, 21,624 people on average relied on General Welfare for income, an increase of 10,360 (48%) people since 1987. A further 42,824 people relied on Family Benefits in 1997. Since 1994, the number of people relying on General Welfare has been steadily decreasing. This trend had started before legislation changed the welfare system in 1995, reducing benefits and tightening eligibility. All people receiving social assistance, including families with children, fall far below the poverty line.

Having a job does not guarantee you will not live in poverty...

Inadequate social assistance is not the only reason that people are falling below the poverty line. Low wages, unemployment and periods of time spent outside the labour force all contribute to market poverty.

There is a great disparity in income levels in our community. While the average household income is \$49,231, which is above the poverty line for any size family in this community, almost 69% of households had

incomes less than this amount, with a shocking 7% having income less than \$10,000 a year.

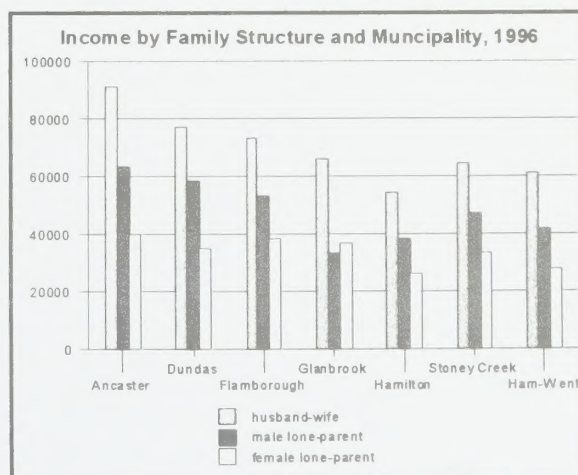
We must look at the types of jobs people are doing in order to understand how someone can be employed and still live in poverty. The Caledon Institute of Social Policy writes, "The economy of the 1990's is creating an abundance of 'non-standard' jobs which pay low wages, offer few if any benefits and are often part-time or unstable"⁴

In Hamilton, well-paid unionized jobs are decreasing, while part-time low-paying jobs are being created in the retail and service sectors. In four short years between 1993 and 1997, Stelco decrease its workforce from 11,500 to 7,806 employees.⁵

The female face of poverty...

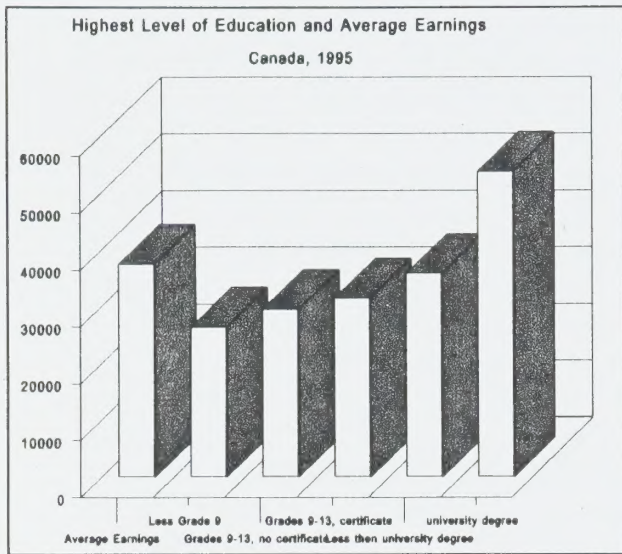
Women are more likely to be poor than the general population due to a number of factors. One is the continuing wage gap between men and women who work full-time. In 1996, women earned 70.7% of their male counterparts income, with an average annual salary of \$30,956 compared to \$48,300.

Women who head lone-parent families also have significantly lower incomes than both male lone-parent families and two-parent families.



Child poverty...

Children are poor because their families are poor. In Hamilton-Wentworth, we can estimate that approximately 26,800 children are living in poverty, based on the incidence of poverty and the total population. This means that more than 1 in 5 children in our community are poor.



Learning and earning...

Education also plays a role in determining who is likely to be poor. It appears that the higher the education a person receives, the

higher the income earned. Side Hamiltonians are better educated. Between 1986 and 1996 the percentage of people with an education less than grade 9 dropped from 17.1% to 11.5%, while those holding a university degree increase by 3.4% in the same 10 years.

On the downside, costs of post-secondary education have risen sharply, and those people without the benefit of advanced education still need to earn a living wage.

Our future generations...

New trends indicate that we are consistently devaluing our young people in the job market. Statistics Canada reports that Canadians between the ages of 15 and 24 have shown a decrease of 11.3% in their earnings between 1990 and 1995. Even young workers with a university degree have shown a decrease of 12% in the same time frame.⁶ The unemployment rate for youth in the Hamilton Census Metropolitan Area in 1998 fluctuated between a low of 8.6% and a high of 16.5%. Averaged over the year, the unemployment rate for youth was 13.1%⁷, compared to the general population of the Hamilton CMA which was 4.8% (unadjusted).⁸

This infosheet was taken from the Community Trends document "Poverty Profile," and can be purchased for \$15.00 from the:

Social Planning & Research Council of Hamilton-Wentworth

255 West Avenue, North

Hamilton, Ontario L8L 5C8

Phone: (905) 522-1148 fax: (905) 522-9124

email: sprc_hw@yahoo.com

Endnotes:

¹ Henry, Terrance (1997). *Risk and Capacity Profile: Hamilton-Wentworth*, P. 36

² Lochhead & Shillington (1996). *A Statistical Profile of Urban Poverty*. Ottawa: Canadian Council on Social Development.

³ *Making OntarioWorks Easier for Sole Support Parents* (1998). Regional Municipality of Hamilton-Wentworth Department of Community Services

⁴ Battle, Ken (1996), *Precarious Labour Market Fuels rising Poverty*. Caledon Institute of Social Policy.

⁵ Labour Market Information unit: Human Resources Development Canada and Regional Municipality of Hamilton Wentworth: Economic Development Department.

⁶ Statistics Canada. *The Daily*. May 12th, 1996

⁷ Statistics Canada: Monthly labour Force Survey.

⁸ Ibid